



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Section 911 repeal
Da: Wednesday, May 14, 2003

Sen. Chuck Grassley, chairman of the Committee on Finance, made the following comment on Section 911 repeal.

“Part of tax relief is tax fairness. I have to ask whether it’s fair for taxpayers to underwrite the cost of sending employees overseas. The Section 911 tax break applies only to private sector employees who move overseas of their own free will. It’s not available to government or military personnel stationed overseas. The revenue raised from repeal is mostly because these people don’t pay tax to either their foreign host country or the United States. So an American soldier who spends a year in Kabul has to pay his full U.S. tax obligation, but an American working for a private company in Bermuda pays no taxes. A worker in Des Moines pays federal income taxes, but his colleague working for the same company overseas probably pays nothing. That doesn’t make sense.”